

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1239-01  
Bill No.: HB 469  
Subject: Political Subdivisions; Transportation; Education - Elementary and Secondary  
Type: Original  
Date: March 26, 2013

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Bill Summary: This proposal requires political subdivisions using automated traffic enforcement systems to distribute such fines to local school districts to be used for transportation purposes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>*Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Transfers fine revenue from cities to local school districts

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§ 304.850 - Automated Traffic Enforcement Systems:**

Officials from the **City of Kansas City (KC)** assume the city collects approximately \$3.5 million annually in fines for red light camera violations. KC estimates the following revenue loss to the city as a result of this proposal.

FY 2014: \$2.33 million

FY 2015: \$3.5 million

FY 2016: \$3.5 million

Officials from the **City of St Louis (STL)** note the cost of automated traffic enforcement system monitoring is paid through a portion of the fines imposed on those who violate traffic ordinances.

STL states, diverting the fine revenue to the local schools would have a significant negative impact, resulting in the loss of approximately \$3.4 million in net revenue annually to STL, in addition to losing the source of funding for this public safety monitoring system.

Officials from the **City of Columbia** assume that all revenue from red light camera photo enforcement will transfer to the school district and create a loss for the city. These revenues totaled \$101,000 in FY 2013 for the city.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal requires that fines collected from automated traffic enforcement systems be given to the school district where the violation occurred to be used for transportation purposes. It also states that the money shall not be included in such district's "local effort" figure as specified in section 163.011.

DESE notes, currently fine moneys are placed in the Teachers' Fund. While these fines may not make up a large percentage of fines received, there will be a reduction in money going into the Teachers' fund.

DESE states fine money is currently distributed on September membership of the school district; not where the fine actually occurs. This could cause a reduction in fine receipts to some schools in the county. It will certainly mean that not all districts will share in the automated traffic enforcement fine proceeds as they do with other fines.

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ASSUMPTION (continued)

DESE assumes by not being added to the local effort the district will be entitled to more state aid because the deduction for fines in the local effort is smaller than it otherwise would be. If the formula is fully funded, the proposal creates a greater formula call because of this lower local effort. Because of this larger formula call, if the formula is underfunded, it would cause the funding percentage to drop and thus cause a shifting of money from other districts to fund the gain of the districts with the lower local effort.

DESE assumes if the formula is underfunded, there is no increased cost to the state. If the formula is fully funded it is impossible to determine the added cost to the state because of the many unknown variables.

**Oversight** assumes that the cities that currently have automated traffic enforcement systems will lose an unknown amount of fine revenue currently collected and those revenues will be transferred to the local school district within the city.

**Oversight** has no way of determining whether the foundation formula for school districts will be fully funded over the fiscal note period, for the purpose of the fiscal note, **Oversight** will assume there is no direct fiscal impact to state government funds.

Officials from the **Francis Howell School District (FHSD)** assume a positive impact for the district. Some of the municipalities within the district do have “red light” cameras. However FHSD has no way of gauging how much revenue is currently generated through traffic fines assessed using “red light” cameras.

Officials from the **Department of Revenue, Office of State Courts Administrator, Missouri State Highway Patrol, Parkway School District, Jefferson City Police Department** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - Local School Districts			
§ 304.850 - fine revenue from automated photo red light enforcement systems	Unknown	Unknown	Unknown
<u>Transfer Out</u> - Cities			
§ 304.850 - Fine revenue from automated photo red light enforcement systems	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 304.850 - Automated Traffic Enforcement Systems:

This proposal specifies that fines imposed for violations detected through the use of automatic traffic enforcement systems must be transferred to the local school district where the violation occurred to be used for transportation purposes. The fines distributed to a school district cannot be included in the school district's local effort figure under the foundation formula.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of State Courts Administrator  
Missouri State Highway Patrol  
Department of Revenue  
St. Louis City  
City of Columbia  
City of Kansas City  
Francis Howell School District  
Parkway School District  
Jefferson City Police Department

A handwritten signature in black ink, appearing to read "Ross Strope".

Ross Strope  
Acting Director  
March 26, 2013